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Coda Octopus Group Enters into a Navy Cooperative Research And Development Agreement with Naval Surface Warfare Center, Panama City Division for Naval Real-Time 3D Imaging Head Up Display Diver Solution

- U.S. Naval Sea Systems Command plan for multi-generation of development of real time 3D DAVD-HUD was outlined at Undersea Defence Technology 2018 conference;
- Program to transition Divers Augmented Vision Display-Head Up Display System (DAVD-HUD) prototype into Gen 1 system ready for operational use within 12 months; technology to transition from CRADA to Exclusive Invention Licensing Agreement;
- CODA project scope expanded from visualization software to productize the full system including 3D sonar, diver helmet hardware and surface electronics;
- DAVD-HUD will be an “Authorized for Navy Use” (ANU) product available for supply across the U.S. Navy and military.
- Coda Octopus’s proprietary commercial sonar technology, Echoscope®, would also be added to the ANU list.

ORLANDO, FL, July 16, 2018 – Coda Octopus Group, Inc. (CODA) (Nasdaq:CODA) a global leader in real-time 3D sonar technology and real-time subsea intelligence, announced the Company has entered into a Navy Cooperative Research Development Agreement (CRADA) to transition the prototype of the Divers Augmented Vision Display-Head Up Display system (DAVD-HUD) into a complete system that is ready for operational use, with Naval Surface Warfare Center Panama City Division (NSWC PCD). The DAVD-HUD first generation system (Gen 1), along with an outline plan for the development of the second, third and fourth generations of the DAVD-HUD, were unveiled by Mr. Paul D. McMurtrie, Diving Equipment RDT&E Program Manager for Naval Sea Systems Command 0038 at the Undersea Defence Technology 2018 conference held June 27, 2018 in Glasgow, Scotland.

The outline plan indicates that the DAVD-HUD product will advance military naval activities significantly, and is considered a critical deliverable to Naval Sea Systems Command (NAVSEA) and other naval bodies. The prototype DAVD-HUD, which includes CODA’s real-time 3D visualization software, has been successfully trialed and evaluated by divers, as well as astronauts, generating much interest for the product and its capability across numerous naval bodies. The internal naval sponsors of the program have grown substantially since Coda became involved in 2016, as the trials and evaluations have conclusively shown the significant benefits and advancement that the DAVD-HUD will bring to naval operations. Speaking at the conference, Mr. McMurtrie described a four-phase multi-generational development program through 2025, with CODA as the program’s partner that will work in

conjunction with NSWC PCD to deliver this critical and state-of-the-art advancement to the military community.

Under the terms of the CRADA, CODA, in collaboration with NSWC PCD, will transition the existing prototype to a first-generation operational system in production no later than 12 months from the date of the CRADA. CODA would then be granted an Exclusive Invention Licensing Agreement to produce and supply the complete system of software and hardware to the Navy and military community. Once released for sale, the DAVD-HUD, along with CODA's real-time 3D sonar and 3D visualization software which is branded commercially as Echoscope®, will be an "Authorized for Navy Use" (ANU) item, allowing these products to be purchased by the U.S. Navy and U.S. Allies.

The agreement to transition and develop the DAVD-HUD prototype is an expansion of CODA's original brief on program. CODA received U.S. Government funding for the development of the 3D visualization software to be used with the DAVD prototype that was using 2D imaging sonar data. CODA was tasked to bring real-time 3D sonar and diver tracking into the DAVD – displayed simultaneously in real time for both divers in the water and diving operations' supervisors on the surface, to use to navigate to targets, identify specific targets and conduct operations, such as repair work. The new scope of work extends to developing the second, third and fourth generations of the complete DAVD-HUD, including the helmet with all electronics, as well as the real-time 3D sonar and 3D visualization software.

Annmarie Gayle, Coda Octopus Group's Chairman and CEO said: "I am very excited and pleased that we have been given this significant opportunity to take forward the initial vision of the DAVD-HUD into a real-time, real-world application that will greatly advance defense and military applications. This is a significant development for Coda Octopus as it positions the Company to roll out its unique real-time 3D capabilities, both hardware and software, across the Navy – a very important group of users. This is a seismic shift as it paves the way for standardization of our real-time 3D sonar products into this very important market. Although we are on a 12-month contractual commitment to develop the first generation of the DAVD-HUD, we intend to deliver this much sooner and get this critical product into operation across the Navy Community."

For further information, see CODA's news release, "Coda Octopus Group Awarded Contract to Advance U.S. Naval Diving Operations with State-of-the-art Real-time 3D Subsea Intelligence for Next Generation Wearable Head Up Display with Embedded Software" (February 5, 2018).

About Coda Octopus Group, Inc.

Originally founded in 1994 as Coda Technologies, the Coda Octopus Group's patented real-time 3D subsea sonar technology, Echoscope®, enables real-time 3D imaging and mapping in zero visibility conditions underwater, and is used globally in numerous applications including defense, marine construction, oil and gas subsea infrastructure installation and surveys, and port and harbor security. For further information, please visit http://www.codaoctopusgroup.com or contact us at: cogi@codaoctopusgroup.com.

About Naval Surface Warfare Center Panama City Division (NSWC PCD)

The mission of Naval Surface Warfare Center Panama City Division is to conduct research, development, test and evaluation, and In-Service support of Mine Countermeasure Systems, Naval Sea Mine Systems, Naval Special Warfare Systems, Amphibious & Expeditionary Maneuver Warfare Systems and support all other systems that occur primarily in coastal or littoral regions. Today, Naval Surface Warfare Center Panama City Division is one of the major research, development, test and evaluation laboratories in the U.S. Navy and boasts a wide base of expertise in engineering and scientific disciplines. By October 2017, the command employed more than 1,400 civilian employees of which over 800 were scientists and engineers. NSWC PCD prides itself of being good stewards of the environment and taxpayer dollar. The command has a business base of more than $400 million of which $330 million goes back into the State of Florida through labor dollars, contract services, and local goods. For further information, please visit http://www.navsea.navy.mil/Home/Warfare-Centers/NSWC-Panama-City/.

Forward Looking Statement

This press release contains forward-looking statements concerning Coda Octopus Group, Inc. within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Those forward-looking statements include, without limitation, statements regarding the Company's expectations for the growth of the Company's operations and revenue. Such statements are subject to certain risks and uncertainties, and actual circumstances, events or results may differ materially from those projected in such forward-looking statements. Factors that could cause or contribute to differences include, but are not limited to, customer demand for our products and market prices; the outcome of our ongoing research and development efforts relating to our products including our patented real time 3D solutions; our ability to develop the sales force required to achieve our development and other examples of forward looking statement set forth in our Annual Report on Form 10-K filed with the Securities and Exchange Commission on January 30, 2018. Coda Octopus Group, Inc. does not undertake, and specifically disclaims any obligation to update or revise such statements to reflect new circumstances or unanticipated events as they occur.

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